

# Tax Clearance Information

Issued under authority of the Revenue Act, P.A. 122 of 1941, as amended.

## SOLE-PROPRIETORSHIP, PARTNERSHIPS AND CORPORATIONS REQUESTING *CONDITIONAL* TAX CLEARANCE

Corporations can request a *Conditional Tax Clearance Request* (Form 514) when they sell their assets, but the corporate shell remains. The corporation continues to file returns when due. Later, the corporation may file for dissolution or withdrawal.

A conditional tax clearance is required when a bulk sale or transfer is made under the Uniform Commercial Code.

Conditional tax clearance is granted after Treasury determines that all sales, use, income (withholding), cigarette, motor fuel and single business taxes have been paid for the period of operation.

Requests for conditional tax clearance are usually made when a purchaser insists that the seller demonstrate that taxes are current. When a conditional tax clearance certificate is issued, money held in escrow is released and the purchaser is relieved of successor liability. The seller agrees to keep all books and records of the business until they are released by Treasury. The seller is liable for all taxes due from the operation of the business at the location cleared during the time specified by Treasury.

## CORPORATIONS REQUESTING DISSOLUTION, or WITHDRAWAL OF FOREIGN CORPORATION FROM MICHIGAN

A domestic (Michigan) corporation dissolves; a foreign corporation (incorporated outside Michigan) withdraws from Michigan.

The Michigan Department of Treasury must issue a tax clearance certificate before you may file an application for certificate of dissolution, or withdrawal with the Department of Consumer & Industry Services, Corporation Division.

You must file final tax returns and *Withdrawing Corporation Property and Tax Certificate* (Form 508) along with your *Tax Clearance Request* (Form 501).

A tax clearance certificate will not be issued until all returns are filed and all liabilities are paid.

## GENERAL

Send all returns and remittances to: Michigan Department of Treasury  
Tax Clearance Section  
Treasury Building  
Lansing, MI 48922

Make remittances payable to 'State of Michigan.' Certified checks will speed processing.

Returns and remittances not addressed to Tax Clearance may be delayed several months.

Contact: Betty Lott, Supervisor  
Collection Division  
(517) 636-5260